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**U. S. SMALL BUSINESS ADMINISTRATION
RECEIVER FOR AVALON EQUITY FUND, L.P.**
409 THIRD STREET, S.W., 6TH FLOOR
WASHINGTON, D.C. 20416

SEP 02 2008

MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

WRITER'S DIRECT TELEPHONE: (202) 205-7514

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August 28, 2008

Mr. Michael W. Dobbins, Clerk of the Court
U.S. District Court, Northern District of Illinois
219 South Dearborn Street, 20th Floor
Chicago, IL 60604

VIA UPS 2ND DAY DELIVERY

08C 5001

Re: United States of American v. Avalon Equity Fund, L.P.
Civil Case No. 08-CIV-7287 Judge Leisure

Dear Mr. Dobbins:

This is to advise you that, in accordance with 15 U.S.C. § 687c, the U.S. District Court for the Southern District of New York, has taken exclusive jurisdiction of Avalon Equity Fund, L.P. ("Avalon") and the assets thereof, and has appointed the U.S. Small Business Administration ("SBA"), an agency of the federal government, as the Receiver.

A portion of the property of Avalon may be located in your jurisdiction. We therefore are enclosing for filing, copies of the Complaint and Order establishing the Receivership, as required by 28 U.S.C. § 754. Please open as a miscellaneous case filing.

The United States District Court, in an order appointing SBA Receiver for Avalon, stayed all legal proceedings involving Avalon, and prohibited the filing of any actions against the Receiver unless permission of the Court is first obtained.

The Receiver is in the process of ascertaining what and where legal proceedings pertaining to Avalon are pending. Should the Receiver learn of relevant legal proceedings within the jurisdiction of your Court, the Receiver will promptly notify you thereof.

We also have enclosed extra copies of the Order and Complaint, which we request that you stamp file and return in the enclosed self-addressed stamped envelope.

08CV5001

JUDGE NORDBERG

MAGISTRATE JUDGE COLE

By:

Michele L. Pittman

Michele L. Pittman
Chief, Corporate Liquidation and Receivership Operations
Office of Liquidation